

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
January 24, 2013

MEMBERS PRESENT:

Mr. Kenneth D. Wallis, III (Chairman)
Mr. Christopher Baker
Mr. Joseph Lundy
Mr. Fred Crochen
Mrs. Cornelia Tisher
Mr. Chester Mallory
Mr. Dennis Key

MEMBERS ABSENT:

Mrs. Dot Wood (Vice-Chairman)
Mr. Mark Moody

OTHERS PRESENT:

Mrs. Lisa Brooks, Executive Director
Ms. Neva Conway, Legal Counsel
Mrs. Carolyn Greene, Executive Secretary
Mr. Sam Davis, Investigator

GUESTS PRESENT:

Ms. Penny Nichols, Certified Residential Real Property Appraiser, Deatsville, AL
Mr. Jimmy Sutherland, Certified Residential Real Property Appraiser, Deatsville, AL

- 1.0 With quorum present Mr. Kenneth Wallis, Chairman, called the meeting to order at 8:34 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held in the 3rd Floor Conference Room, 100 North Union Street, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on December 21, 2012 in accordance with the Alabama Open Meetings Act.
- 2.0 The meeting was opened with prayer by Mr. Crochen and followed by the Pledge of Allegiance, led by Mr. Wallis.
- 3.0 Members present were Mr. Kenneth Wallis, III, Mr. Joseph Lundy, Mr. Fred Crochen, Mrs. Cornelia Tisher, Mr. Chris Baker, Mr. Dennis Key and Mr. Chester Mallory. Members absent were Mrs. Dot Wood and Mr. Mark Moody.
- 4.0 On motion by Mr. Mallory and second by Mr. Baker, the regular minutes for November 15, 2012 were approved as written. Motion carried by unanimous vote.

5.0 Ms. Conway included, for Board information, an Order from Judge Ray Martin Circuit Court of Randolph County, in Alabama Real Estate Appraisers Board v. Joshua M. Smith. A hearing is set for February 22, 2013.

6.0 Ms. Conway discussed the proposed changes to 34-27A-7, Application for licensure and examination; fees; pledge; conditions, to add language providing for background checks for applicants. This amendment is necessary due to changes to the Appraisal Qualifications Board criteria. Mr. Mallory and Mr. Wallis will work together to find sponsors for the Bill.

On motion by Mr. Baker and second by Mr. Key, the Board voted to to submit the proposed amendment to the Legislature. Motion carried by unanimous vote.

7.0 On motion by Mr. Crochen and second by Mr. Lundy the following applications were voted on as listed. Motion carried by unanimous vote.

7.1 **Trainee Real Property Appraiser applications approved:** William A. Blagburn, John Andrew Ritger (Recip.)(GA) and Alana Marie Ward (Recip.)(TN). **Applications deferred:** None. **Applications denied:** None.

Trainee Real Property Appraiser Experience Logs for Review: Logs approved: Jeff Blackmon, Thomas F. Bradley, Kimberly Chalmers, Kevin A. Haefner, Scott Peace, Edgar Reeves and Andrew D. Wilcoxon. **Logs deferred:** Floyd Bischoff, Jason Easter, Rachel Greene, Gregory S. Haggard, David D. Ikard, Cynthia Kelley and Chris Wilkinson. **Log denied:** None.

7.2 **State Registered Real Property Appraiser applications approved:** Thomas F. Bradley and Kevin A. Haefner. **Application deferred:** None. **Application denied:** None.

7.3 **Licensed Real Property Appraiser applications approved:** Edgar Reeves. **Application deferred:** S. Darlene Daugherty. **Applications denied:** None.

7.4 **Certified Residential Real Property Appraiser applications approved:** Jeff Blackmon, Kevin A. Nugent (Recip.)(GA), Scott Peace, and Andrew D. Wilcoxon. **Application deferred:** Gregory S. Haggard. **Applications denied:** None.

7.5 **Certified General Real Property Appraiser applications approved:** Curtis B. Bearden (Recip.)(GA), Cindy J. Dickinson (Recip.)(MS), Johnny B. Graves (Recip.)(FL), Melanie S. Housh, Jonathan Cain Langford (Recip.)(GA), Donald Frank Martorelli (Recip.)(IL), Phillip L. Parmer, Krista Michelle Reed (Recip.)(GA), Kenneth H. Rountree (Recip.)(GA), and Mark Alan Thibodeau (Recip.)(GA). **Application deferred:** None. **Applications denied:** None.

- 7.6 **Mentor applications approved:** Ronald Shawn Brantley, Chris Copeland, Alan L. Daniel and Carter O. Franklin. **Applications deferred:** None. **Applications denied:** None.

Mr. Lundy requested Staff to create a checklist to be used with Experience Log Reviews.

Mrs. Brooks discussed Trainees submitting their experience log reviews with their upgrade applications. The Board will not accept upgrade applications until the Trainee's experience log review has been approved.

Mr. Wallis asked Mrs. Brooks to send a reminder email now and in 30 days to Trainees to remind them that they are required to submit their experience logs for Board review when they have acquired half the points required to upgrade. The Board will not accept upgrade applications until after the Trainee's experience log review has been approved. Upgrade applications submitted prior to the approval of the experience log review will be returned.

- 8.0 Mr. Lundy presented the Finance report and stated that the Board was 8% into Fiscal Year 2013 and 28% into budget expenditures. Mr. Lundy stated that there were no negative trends that could not be reconciled at this time.

On motion by Mr. Crochen and second by Mr. Mallory, the Board voted to approve the Financial Report. Motion carried by unanimous vote.

On motion by Mr. Baker and second by Mr. Wallis, the Board voted to allow staff and Board members to attend the Spring AARO conference. Motion carried by unanimous vote.

Mr. Lundy discussed the RSA Union office lease, and moved that the lease to be renewed. Mr. Baker seconded the motion. Motion carried by unanimous vote.

The Investment report was included for Board information.

- 9.0 On motion by Mr. Crochen and second by Mrs. Tisher, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

APPRAISAL INSTITUTE – NATIONAL CHAPTER

Renewal Applications:

- (CE) Analyzing Tenant Credit Risk and Commercial Lease Analysis – 7 hours – Classroom
(Instructor: Jeffrey Miller)
Both Course and Instructor Approved

- (CE) Appraising the Appraisal-Appraisal Review General – 7 hours – Classroom
(Instructor: Stephanie Coleman)
Both Course and Instructor Approved
- (CE) Case Studies in Appraising Green Residential Buildings – 8 hours – Classroom
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (CE) Condemnation Appraising: Principles & Applications – 22 hours – Classroom
(Instructor: Stephen Matonis)
Both Course and Instructor Approved
- (CE) Cool Tools: New Technology for Real Estate Appraisers – 7 hours – Online
(Instructor: Wayne Pugh)
Both Course and Instructor Approved
- (CE) General Demonstration Appraisal Report Writing Seminar – 7 hours – Classroom
(Instructor: George Mann)
Both Course and Instructor Approved
- (CE) Marketability Studies: Advanced Consideration & Applications – 7 hours – Classroom
(Instructor: Stephen Fanning)
Both Course and Instructor Approved
- (CE) Real Estate Appraisal Operations – 4 hours – Online
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (CE) Small Hotel/Motel Valuation – 7 hours – Online
(Instructor: David Lennhoff)
Both Course and Instructor Approved
- (CE) Supervising Appraisal Trainees – 4 hours – Online
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (CE) The Appraiser as an Expert Witness: Preparation & Testimony – 16 hours – Classroom
(Instructor: Joseph Magdziarz)
Both Course and Instructor Approved
- (CE) Using Your HP12C Financial Calculator – 7 hours – Online
(Instructor: Matthew Larrabee)
Both Course and Instructor Approved

- (CE) Valuation of Conservation Easements – 33 hours – Classroom
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (LIC) Advance Concepts and Case Studies – 38 hours – Classroom
(Instructor: Kerry Jorgensen)
Both Course and Instructor Approved
- (LIC) Advanced Residential Applications and Case Studies, Pt. 1 – 15 hours – Classroom
(Instructor: Joseph Magdziarz)
Both Course and Instructor Approved
- (LIC) Advanced Residential Report Writing, Pt. 2 – 30 hours – Classroom
(Instructor: Joseph Magdziarz)
Both Course and Instructor Approved
- (LIC) Basic Appraisal Principles – 30 hours – Classroom
(Instructor: Vickie Gill)
Both Course and Instructor Approved
- (LIC) General Appraiser Market Analysis and Highest & Best Use – 30 hours – Classroom
(Instructor: Joseph Magdziarz)
Both Course and Instructor Approved
- (LIC) General Appraiser Site Valuation & Cost Approach – 30 hours – Online
(Instructor: Arlen Mills)
Both Course and Instructor Approved
- (LIC) Residential Market Analysis and Highest & Best Use – 15 hours – Classroom
(Instructor: Vickie Gill)
Both Course and Instructor Approved
- (LIC) Residential Report Writing and Case Studies – 15 hours – Online
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (LIC) Residential Sales Comparison and Income Approach – 30 hours – Online
(Instructor: Mark Rattermann)
Both Course and Instructor Approved
- (LIC) Residential Site Valuation & Cost Approach – 15 hours – Online
(Instructor: Arlen Mills)
Both Course and Instructor Approved

New Applications:

- (CE) Business Practices & Ethics - 4 Hours – Classroom
(Instructor: Stephanie Coleman)
Both Course and Instructor Approved
- (CE) Complex Litigation Appraisal Case Studies – 7 Hours – Classroom
(Instructor: Shawn Wilson)
Both Course and Instructor Approved
- (CE) Residential & Commercial Valuation of Solar - 14 Hours – Classroom
(Instructor: Sandra Adomatis)
Both Course and Instructor Approved
- (CE) The Discounted Cash Flow Model: Concepts, Issues & Applications – 5 Hours – Online
(Instructor: Ken Lusht)
Both Course and Instructor Approved

APPRAISAL UNIVERSITY

New Application:

- (CE) Practical Application of the Cost Approach – 3.5 Hours – Online
(Instructor: Gregory Accetta)
Both Course and Instructor Approved

CALYPSO CONTINUING EDUCATION

New Application:

- (CE) Environmental Hazards Impact on Value - 7 Hours – Online
(Instructor: Frances Finigan)
Both Course and Instructor Approved

DYNASTY SCHOOL

New Applications:

- (LIC) 2012-2013 USPAP Equivalent - 15 Hours – Online
(Instructor: Robert Abelson)
Both Course and Instructor Approved
- (CE) Challenging Assignments for Residential Appraisers - 7 Hours – Online
(Instructor: Robert Abelson)
Both Course and Instructor Approved
- (CE) Covering All Bases in Residential Reporting - 7 Hours – Online
(Instructor: Robert Abelson)

Both Course and Instructor Approved

- (CE) Foreclosure Basics for Appraisers - 7 Hours – Online
(Instructor: Robert Abelson)

Both Course and Instructor Approved

EARTH ADVANTAGE INSTITUTE

New Application:

- (CE) Appraising Green Homes: Advanced Applications - 7 Hours –
Classroom

(Instructor: Taylor Watkins)

Both Course and Instructor Approved

GEORGIA MLS TRAINING INSTITUTE

New Applications:

- (CE) Challenging Assignments for Residential Appraisers - 7 Hours –
Online

(Instructor: Wade Gaddy)

Both Course and Instructor Approved

GREENSIGHT VALUE

New Applications:

- (CE) Appraising Green Homes: Construction Methods & Trends - 7
Hours – Online

(Instructor: Taylor Watkins)

Both Course and Instructor Approved

- (CE) Appraising Green Homes: Valuation Techniques - 7 Hours –
Online

(Instructor: Taylor Watkins)

Both Course and Instructor Approved

IRWA ALABAMA CHAPTER 24

New Applications:

- (CE) University of Alabama Annual Right of Way Conference - 8 Hours
– Classroom

(Instructor: Judy Jones)

Both Course and Instructor Approved

- (CE) 402 – Introduction to the Income Capitalization Approach - 8
Hours – Classroom

(Instructor: Edmond Eslava III)

Both Course and Instructor Approved

MCKISSOCK, LP

New Application:

- (CE) FHA for Today's Appraiser-Live Webinar – 7 Hours – Online
(Instructors: Daniel Bradley, Tracy Martin and Charles Huntoon)
Both Course and Instructors Approved

Mrs. Brooks discussed holding Trainee/Mentor Orientations at the March, May and July, 2013 Board meetings.

10.0 The Board reviewed the following disciplinary reports.

AB 10-39 On November 15, 2012, the Board adopted the recommendations of the Administrative Law Judge and revoked the license of Certified Residential appraiser George W. Whiting, Jr. Whiting had allowed his license to lapse during the pendency of the action. The violations in the report were: In the sales comparison approach, the location, the site and the age of the subject and comparable sales were not completely stated and neither was the analysis of the different elements of comparison. The report did not contain information about the number of comparable properties offered for sale within the neighborhood as of the date of the appraisal or the number of closed sales in the neighborhood within the 12 months preceding the date of the appraisal. The verification source for the sales comparison section is "exterior inspection" and yet there is data included that cannot be verified by "exterior inspection". Comparable #1 has a deck, patio and fence that were not analyzed in the sale and the site for Comparable #1 was two lots instead of one and that also was not analyzed. The three year sales history for the Subject property was inaccurate. A sale of the subject in October 2004 was not reported. There is inaccurate data for the sales history of Comparable #2 which is date January, 2007. Whiting says there were no sales in the 12 months prior when there was another sale of Comparable #2 that occurred in July, 2006. In the cost approach, the cost of a storage area and a range and hood are omitted. The income approach was omitted from the report with no explanation. While the approach may not be necessary for the development of credible results, the report should state the reason why the income approach is not developed. The report has many inaccuracies. In the section of the report where the subject property address is provided, the appraiser has 1457 Barkley Drive instead of 1467 Barkley Drive. The correct lot number in the legal description is Lot 24 and the report says Lot 29. The assessor's parcel number is incorrect in the report, the last two digits should be 53 and the report has 48, the owner of public record is reported inaccurately. The report says that the land use of the neighborhood is 100% single family residence and the investigator noted that there are other land uses within the neighborhood boundaries Whiting used such as a park, a daycare and some commercial type properties along with a college. The dimensions of the subject property are not the same as the dimensions reported in the

county tax records. The sales contract is not analyzed and the appraiser does not say what steps he took to obtain a copy of the contract when a copy is not made available for analysis. **Violations: §34-27A-20(a)(6), §34-27A-20(a)(8), §34-27A-20(a)(9), §34-27A-20(a)(14), §34-27A-20(a)(15), Code of Alabama, 1975.**

AB 11-34 On November 15, 2012, the Board approved a Consent Settlement Order with Certified Residential appraiser Sean R. Tomlinson and ordered a \$250 administrative fine and a 7 hour sales analysis course. The course cannot be counted for Continuing Education purposes. The violations are as follows: Licensee did not verify the sales used as comparable sales sufficiently to learn that the sales were influenced by seller duress and so they were not true arms-length transactions. The analysis of the sales was flawed as a result and adjustments were not made for Condition of Sale. **Violation: Standards Rule 1-4(a); 2-1(b), USPAP 2010-2011 Edition.**

AB 11-45, AB-11-46, AB-11-47 On November 15, 2012, the Board approved a Consent Settlement Order for an administrative fine for Kelly Jones Ross in the amount of \$250. In the reports, Licensee's conclusions about the Neighborhood Characteristics Housing Trends and the MC 1040 Market Conditions Analysis are inconsistent. No time adjustments are made to comparable sales and no explanation is made where the market is reported to be increasing in value. **Violation: Standard Rules 1-3(a), 2-2(b), USPAP 2010-2011 Edition.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board that 10 new complaints were received since the November 2012 Board meeting, 16 complaints were dismissed, and 5 complaints were settled, leaving a total of 61 open complaints.

11.0 The Board reviewed Probable Cause Report **AB-10-80**: With Mrs. Tisher recusing, on motion by Mr. Crochen and second by Mr. Baker, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-16**: With Mr. Lundy and Mr. Key recusing, on motion by Mr. Mallory and second by Mrs. Tisher, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-17**: With Mr. Lundy and Mr. Key recusing, on motion by Mrs. Tisher and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-18**: With Mr. Lundy and Mr. Key recusing, on motion by Mr. Mallory and second by Mrs. Tisher, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-45**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mrs. Tisher, the Board voted to accept the Disciplinary Committee's recommendation, with amendments as noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-46**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mrs. Tisher, the Board voted to accept the Disciplinary Committee's recommendation, with amendments as noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-47**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Key, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-48**: With Mr. Baker recusing, on motion by Mr. Mallory and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-49**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation, with amendments noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-50**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation, amendments noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-51**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-52**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation, with

amendments noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-34**: With Mrs. Tisher and Mr. Mallory recusing, on motion by Mr. Key and second by Mr. Lundy, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

12.0 The Board reviewed Consent Settlement Order on **AB-12-34**. With Mrs. Tisher and Mr. Mallory recusing, on motion by Mr. Baker and second by Mr. Crochen, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

13.0 The following reciprocal licenses were issued since last meeting: Curtis B. Bearden (Recip.)(GA), Cindy J. Dickinson (Recip.)(MS), Johnny B. Graves (Recip.)(FL), Jonathan Cain Langford (Recip.)(GA), Donald Frank Martorelli (Recip.)(IL), Kevin A. Nugent (Recip.)(GA), Krista Michelle Reed (Recip.)(GA), John Andrew Ritger (Recip.)(GA), Kenneth Harold Rountree (Recip.)(GA), Mark Alan Thibodeau (Recip.)(GA), and Alana Marie Ward (Recip.)(TN).

14.0 The Temporary Permit report was provided to the Board for their information.

15.0 The Appraisal Management report was provided to the Board for their information.

16.0 Mrs. Brooks discussed the following:

- A memorandum from Thomas L. White, Jr., State Comptroller, announcing that the travel mileage rate for 2013 increased to 56.5 cents per mile.
- An email from Mr. Chris Baker regarding Florida's Qualification for Supervision of Registered Trainee Appraisers.
- Trainee Experience Log reviews.
- AARO Spring Conference.

17.0 Mr. Lundy discussed Customary & Reasonable Fees & geographic competency.

18.0 Mr. Key discussed the lack of an Inactive status. The Education Committee will meet to discuss the feasibility of implementing an Inactive status.

Mr. Wallis discussed whether or not review appraisers should receive credit for their reviews. Mr. Wallis will research the subject and report back to the Board.

19.0 At 11:00 a.m., on motion by Mr. Crochen and second by Mr. Baker, the Board voted to adjourn. Motion carried by unanimous vote. The Board's tentative meeting schedule for the remainder of 2013 is March 21, 2013 in the 3rd Floor Conference Room of the RSA Union Building, 100 North Union Street, Montgomery, Alabama; May 16, 2013 and July 18, 2013 in the 1st Floor Purchasing Auditorium of the RSA Union Building, 100 North Union Street, Montgomery, Alabama; and September 19, 2013 and November 21, 2013 in the 3rd Floor Conference Room of the RSA Union Building, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene
Executive Secretary

APPROVED: _____
Kenneth Wallis, III, Chairman